Message Text

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INFO OCT-01 EUR-12 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03 INR-07 NSAE-00 USIA-06 TRSE-00 OPIC-03 SP-02 LAB-04 EPG-02 SIL-01 OMB-01 /058 W --------040725Z 121947 /13

P R 040530Z MAY 77 FM AMEMBASSY ANKARA TO SECSTATE WASHDC PRIORITY 7379 INFO AMCONSUL ADANA AMCONSUL ISTANBUL

LIMITED OFFICIAL USE ANKARA 3374

FOR EXPORT-IMPORT BANK: VICE PRESIDENT CLAYTON NORRIS

E.O. 11652: N/A TAGS: EFIN, TU

SUBJECT: EXIM LOAN TO CUKUROVA ELEKTRIK

REF: (A) STATE 91210, (B) ANKARA 3282

1. EMBASSY COMMERCIAL ATTACHE CALLED ON YUCEL, DIRECTOR GENERAL OF TEK, ON MAY 2. REFERRING TO NORRISYUCEL MEETING OF LAST FEBRUARY, COMATT INQUIRED AS TO TEK'S POSITION IN CUKUROVA DISPUTE. GIST OF YUCEL'S RESPONSE, WHICH WAS NOT ENTIRELY CLEAR ON ALL POINTS, WAS THAT CUKUROVA'S "CONCESSION" TO GENERATE POWER WAS GRANTED IN EARLY POST-WWII PERIOD WHEN THERE WAS NO TURKISH GOVERNMENT ELECTRICITY AUTHORITY. IN 1970, HOWEVER, TEK CHARTER BECAME LAW, SPECIFYING THAT IT WAS TO BE THE SOLE POWER-GENERATING AUTHORITY IN TURKEY AND THAT FORMER "CONCESSIONAIRES" SHOULD PHASE OUT AT THE END OF THEIR CONCESSIONS AND OF COURSE NOT EXPAND THEIR OPERATIONS. CUKUROVA WAS DOING JUST THAT, HOWEVER, IN PRESENT CASE AND TEK HAD NO CHOICE BUT TO LIMITED OFFICIAL USE

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OPPOSE IT. YUCEL NEVERTHELESS INSISTED THAT HE HAD NOTHING AGAINST THE PROJECT TECHNICALLY, THAT IT WAS INDEED SORELY NEEDED AND THAT IT WOULD HAVE TO BE PUT INTO OPERATION AT SOME POINT BY SOME AUTHORITY. RATHER DISINGENUOUSLY, HE SAID TEK HAD NOTHING TO DO WITH FINANCING OF THE PROJECT IN ANY EVENT AND THAT IT MUST BE THE FAULT OF THE MINISTRY OF ENERGY THAT FINANCE

MINISTRY CLEARANCE HAS NOT YET BEEN GRANTED. AS TO OUTLOOK FOR RESOLVING DISPUTE, HE SAID HE WAS "EIGHTY PERCENT CERTAIN" THAT MATTER WOULD BE RESOLVED ONE WAY OR ANOTHER ON MAY 13. ASKED WHAT THAT DCISION MIGHT BE, HE DEMURRED, BUT DREW ATTENTION TO FACT THAT TEK'S OBJECTIONS HAD BEEN UPHELD BY COURTS IN PAST.

2. SADULLAH AYGUN OF FINANCE MINISTRY REMAINED IN WASHINGTON AFTER IMF INTERIM COMMITTEE MEETING FOR DISCUSSIONS WITH FUND OFFICIALS. SENAY WILL PROVIDE FINANCE MINISTRY VIEWS ON CUKUROVA PROJECT AS SOON AS AYGUN RETURNS.

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Message Attributes

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Subject: EXIM LOAN TO CUKUROVA ELEKTRIK TAGS: EFIN, TU, XMB, CUKUROVA ELEKTRIK

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